The Director of Central Intelligence Washington, D.C. 20505

NIC No. 00512-85/1 29 January 1985

National Intelligence Council

MEMORANDUM FOR: See Distribution

FROM:

George Kolt

1.

National Intelligence Officer for Europe

SUBJECT:

Warning and Forecast Report for Europe

- 1. Attached is my report to the DCI based on our meeting held 23 January 1985. If there are any significant amendments or additions you would wish to make, please let me know.
- 2. Next month's warning meeting will be on 20 February 1985 at 1015 in room 7-E-62, CIA Headquarters. Please have your clearances passed and call with names of the attendees by noon, 19 February 1985.

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3. I also encourage you to phone in suggestions for the agenda and proposals to make opening presentations. It would be helpful to have your comments for the next meeting by Monday, 11 February 1985.

George Kolt

Attachment

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MEMORANDUM FOR:

Director of Central Intelligence

Deputy Director of Central Intelligence

FROM:

George Kolt

National Intelligence Officer for Europe

SUBJECT:

Warning and Forecast Report for Europe

I. <u>European Reactions to the Geneva Talks and the Strategic Defense</u> <u>Initiative</u>

A. <u>Discussion</u>

Depsite media concentration on SDI, maintaining the INF deployment schedule remains the most important operation issue. The NATO allies fear that unrealistic popular expectations will offer Moscow opportunities to revitalize and manipulate the peace movements again. In particular, they worry that Moscow will use vague promises of concessions and try to convince Europeans that the US will not defend European interests in order to undermine NATO resolve on INF deployment.

Belgium is particularly vulnerable to such tactics. Its pro-INF government faces an election this year and risks voter displeasure if it goes ahead with deployment roughly on schedule this spring. There is nevertheless an even chance that Belgium will deploy. Foreign Minister Tindemans is currently visiting other European capitals and eliciting strong support for Belgian deployments. Prime Minister Martens may then calculate that he could justify deployments on the grounds of alliance solidarity, and

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hope that enough time will have expired between the deployments and elections to defuse the INF issue. His own party, which has been unenthusiastic about deployments, would then be faced the dilemma of accepting Martens' fait accompli or bringing down the government, thereby forcing early elections that it would almost surely lose. The outcome in Belgium will affect the way INF is played in Holland, where the scheduled 1986 deployment continues to look problematical.

The Strategic Defense Initiative poses both near term and longer term problems for our NATO allies. It is of immediate concern to our allies as a focal point for Soviet negotiation tactics in Geneva and a new, prime target for Soviet manipulations of Western European public opinion, over the longer term. The allies are the more uneasy because of many unknowns surrounding the new concept's impact on their security.

For now, the peace movements, wrestling with the lack of firm details about SDI, are unsure if they have a new rallying point or an incentive to confusion and divisions in their ranks. But the rhetoric against SDI already includes renewed speculations about US "decoupling" from Europe, potential inequalities in the US and Europe's shared security risks and an increased threat of conventional war in Europe.

NATO leaders do not agree on the SDI issue. France is most opposed to the SDI concept as it fears a new high technology weapons race would negate its nuclear deterrent and mainly benefit the U.K. due to London's special relationships with the US. Paris is urging the Europeans to chart a separate position asserting their own special interests, possibly through the WEU. The British share some French misgivings but mute them in public to preserve good ties with the US. The non-nuclear NATO partners, particularly West Germany and Italy appear more favorably disposed to SDI, especially because of US promises to share new technology.

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Poland. The likely outcome of Father Popieluszko's murder trial a death sentence, possibly commuted, for one secret policeman involved and lighter sentences for others is expected to contain popular anger while not allaying widespread suspicions of a cover-up. The main long-range concern for the regime, however, is whether a more subdued and demoralized secret police will still be able to maintain a satisfactory degree of control over an alienated society. The regime's most immediate worry is over popular reactions to the price hikes scheduled for February. Although the regime has carefully prepared the population and cushioned the impact of on the hikes on fixed-income families by increasing pensions, it remains alert to any possible protest actions.	
Malta. All analysts agreed that Dom Mintoff is still very much in charge despite ceding the Premiership to Mifsud Bonnici in December. The latter's first, slightly more conciliatory, stance toward the West probably is an effort to offset the impact of Mintoff's recent visit to Moscow and his decision to reestablish close ties with Qadhafi. The key question is whether Bonnici is a transitional figure or a serious contender to succeed Mintoff	
provide indications about the staying power of Bonnici's potential challengers, primarily Foreign Minister Trigona and Public Works Minister Lorry Sant.	
Cyprus. The Turkish Cypriots believe that world opinion and most importantly, the US Congress will blame the Greek side for the failure of the UN-sponsored Cyprus summit. Although Turkish Cypriot leader Denktash has agreed in principle to new talks, he has also implied he might push ahead with a referendum on a constituion for his proclaimed Turkish National Republic of Cyprus. For their part, the Greek Cypriots may resume the modernization of the Greek National Guard, a process that was suspended during the talks. Either one of these developments would raise tensions and make the renewal of talks more difficult.	

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Greece-NATO. The Greek pullout from the NATO Defense College in Rome last week, in reaction to an objectionable war-game scenario positing a CIA-directed coup in Athens, apparently has no direct relation to Athens' other problems with NATO. It is possible, however, that the incident will have wider repercussions and that Pasok may exploit it during the election campaign.

George Kolt

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